

NOI-2012-0002
HIGH-VOLTAGE TRANSMISSION PROJECTS
WORK SHOP

August 28, 2012

IPL Transmission Positions

- **IPL shares customer concerns with prioritization and level of transmission infrastructure capital expenditures and its impact on rates**
 - Support prompt construction of needed transmission capital projects
 - Believe projects and their associated costs should be prudent and commensurate with received customer benefits
 - Reliability improvement, fuel cost savings, loss reduction
- **Cost allocation approach across the MISO footprint for all project types should be consistent**
 - Ensure just and reasonable allocation of costs
 - Provide proper pricing signals throughout MISO
 - Influence prioritization of MISO projects

IPL Transmission Positions – continued

- **Cost allocation should be aligned with cost causers and beneficiaries to ensure fairness**
 - Allocation of costs should be commensurate with received benefits
- **Transmission congestion should be addressed through a thoughtful and consistent planning process**
 - MISO's annual top congested flowgate study adequately addresses this need
- **Planning processes should support timely responses to needs and requests**
 - Ability to meet near term and long term reliability needs is paramount
 - All projects that have a potential impact to MISO reliability or cost allocation should be vetted transparently through the MTEP process

MVP Projects

- Continued support of the MISO MVP projects approved in MTEP 11
- Would like to see benefit-cost ratio for MVP's to be calculated at a more granular level
- IPL conducted an independent analysis to evaluate the MISO MVPs' impact on IPL's generating fleet
 - Results – Directionally indicates IPL's generating fleet should overall see positive impacts from the MISO MVPs

Other Transmission Projects

- **Other transmission projects**

- Includes projects such as Green Power Express, Duke ATC, 2nd round of MISO MVPs
- These types of projects should be fully vetted through the MISO MTEP process
- MISO study process should ultimately determine the need, benefits, and cost allocation of projects compared to other options
 - Currently a need for these projects has not been demonstrated through the MISO planning process

- **Merchant DC Transmission Projects**

- Any Merchant DC project with potential impact on the MISO footprint, either financial or operational, should be evaluated fully by MISO
- Support MISO establishing a DC Merchant Interconnection queue process similar to how generator interconnection queue is handled in MISO
 - DC Merchant project studies should be funded by the project developer

- **IPL opposes any merchant transmission project until it has demonstrated “no harm” to MISO and IPL customers in both the short and long term**

Final Comments

- **IPL supports transmission construction that benefits IPL customers**
- **IPL supports cost allocation that aligns cost causers and beneficiaries**
- **IPL will continue to be engaged and active in transmission policy related issues at MISO**
- **Applaud the IUB's efforts on these important issues**
- **Encourage the IUB and fellow state commissions to continue to be active on issues through the OMS that have a potential impact on IPL customers**